GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:4856
ANSWERED ON:10.05.2007
COMMITTEES ON CORPORATE GOVERNANCE
Siddeswara Shri Gowdar Mallikarjunappa

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether Government proposes to implement good corporate governance standards in the Central PSEs;

(b) if so, the details thereof;

(c) whether the Government has taken a view on the recommendations of various Committees on corporate governance; and

(d) if so, the details thereof and the action taken so far thereon?

Answer

THE MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(SHRI SONTOSH MOHAN DEV)

(a) & (b) : The Government has approved the implementation of Guidelines on Corporate Governance for Central Public Sector Enterprises (CPSEs) for an experimental phase of one year. These Guidelines cover issues such as composition of Board of Directors, setting up of Audit Committees role and powers of Audit Committees, issues relating to subsidiary companies, disclosures, accounting standards, risk management and compliance & schedule of implementation of these guidelines, etc.

(c) & (d): These guidelines have been formulated through a consultation process wherein all stakeholders have participated and after taking into account provisions of the relevant laws, rules and instructions and also guidelines of Securities and Exchange Board of India for listed companies.